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CONTACT: Maureen Cragin Ryan Vaart (202) 225-2539

STATEMENT OF CHAIRMAN FLOYD D. SPENCE

FULL COMMITTEE HEARING ON THE QDR

Wednesday, May 21, 1997

It is a pleasure to once again welcome Secretary Cohen and General Shali back to the committee. We have a lot to talk about in light of Monday's formal release of the QDR.

Let me be the first to congratulate Secretary Cohen for meeting the deadline for QDR's submittal to Congress. In light of the magnitude of the issues addressed, I was never convinced that the legislated timelines were realistic or practical. And having assumed office only several months ago, a lot of people thought that the Secretary might simply kick the can down the road...and justifiably so. Regardless of the QDR's specifics, both of our witnesses are to be commended for making a deadline in a town not known for making deadlines.

Mr. Secretary, I believe that the Bottom-Up Review's two MRC strategy was about right, but that it was dramatically under resourced. And it should come as no surprise that I believe the same to be true with the QDR.

Earlier this week, I came across an interesting Los Angeles Times editorial that referred to assertions that our military could execute the two war strategy as a "dangerous fiction". The editorial went on to argue that "the numbers simply don't sustain that claim," and that there was no way that the military could "meet simultaneous commitments in two theaters." As I have said on many occasions, reductions in budgets, forces and equipment just since 1991 lead me to conclude that we could not today conduct another Desert Storm with the same speed or decisiveness – or with as few casualties – as we did a few short years ago. This does not bode well for our ability to execute the more ambitious QDR strategy.

Although I commend the Administration for not walking away from a realistic national military strategy, nonetheless it is an expansive and expensive strategy. But when execution of the strategy relies on a budget that is more than \$60 billion dollars short of even keeping pace with inflation and on forces that continue to shrink, the QDR strategy may prove to be more dramatically under resourced than its predecessor.

In responding to questions about whether the QDR was budget or strategy-driven, the official answer seems to be that it was strategy-driven, but infused with a large dose of budget reality. But if budget reality translates into real decline in defense spending, then the expansive QDR strategy is either overly ambitious relative to projected budgets or it has been tailored to fit within projected budgets. In fact, I suspect time will show it to be both – marketed as consistent with projected budgets while in reality, under funded.

Anticipating the response of the Secretary and others on the issue of defense spending, let me reiterate my belief that while the Budget Agreement may be a step forward with regards to our economic security, I am not convinced that the same can be said for our national security. At least not if our global commitments remain the same or continue to grow, or if we want our forces to be sized, equipped and trained to be capable of prevailing in two major conflicts. But while I may personally believe that the budget numbers are inadequate, they are about to become reality – at least for the time being. And we all have to deal with reality.

Had the QDR truly been a strategy driven review, many believe that the result would have been the same strategy but with a significantly higher price tag. My frustration is that in a strategy-driven review, budget reality should not be inserted into the decision-making process until *after* strategy options have been defined and costed. At that point, if budget reality renders the desired strategy too expensive, at least then we would be embarking on a long overdue and more meaningful debate over the relationship between risk and the national interest.

Instead, what we have is a QDR that will be presented as all things to all people. It calls for an expansive military strategy, including accelerated modernization, all of which is to be paid for from within declining budgets through some endstrength cuts, a few more closed bases, a "revolution in business affairs" and a reduction in the outyear procurement profiles of several major acquisition programs. As such, it seems to me that the QDR's most glaring shortcoming is its demand, on the one hand, that the American accept difficult trade-offs. Yet on the other hand, the review fails to provide a clearly defined baseline from which to assess the risks and trade-offs associated with an expensive post Cold War world security strategy in an environment of fiscal constraint.

Mr. Secretary, I hope that you will assist the committee in its efforts in the months ahead to get at this question of risk and trade-offs. What are the risks associated with the specific path you have recommended? Are there alternative paths of greater or lesser risk and what are the associated budgetary, force structure, readiness, quality of life and modernization tradeoffs? Without a far more comprehensive understanding of how the Department arrived at the QDR (in essence, without access to the review's analytical underpinnings), Congress will have no ability to ascertain how viable the QDR really is. Accordingly, I hope that the Department is prepared to share with the committee all of the pertinent analysis that underlies the QDR's recommendations.